20. *Project design and implementation methods proved generally satisfactory, with some reservations as to equity, the dispersal of subprojects, and project supervision.* The strategy of funding discrete kinds of subprojects familiar to implementing agencies, with only minimal special arrangements, proved successful. Project results would have been enhanced had greater attention been given to equity considerations at the local level in order to improve the distribution of benefits and promote sustainability through a sense of local ownership; to including refugee women at an early stage in the development of an employment strategy; to grouping subprojects to reduce implementation and supervision costs and increase impact through the synergy of several subprojects with interlinking effects; and to assigning appropriate roles to UNHCR and the Bank in controlling and managing implementation. Bank supervision and administration costs were relatively high when compared with similar operations in the Bank's portfolio (see para. 4.23).

21. *Project sustainability is judged generally to be high, but with some reservations.* As noted, some durable assets are not being maintained, and some projects will fail owing to insurmountable technical problems. In other cases, governments and local populations have been unable to agree on operation and maintenance arrangements, a problem that urgently needs to be resolved.

22. *The cultural affinity between Afghan refugees and Pakistanis, and the government's "open door" policy with regard to Afghan refugee employment in Pakistan, were key factors in IGPRA's success and would be key should replication be tried in other countries.* Where these two preconditions do not exist, it is unlikely that an income-generating strategy along IGPRA lines would be feasible.

23. *Certain specific factors were essential to IGPRA's success.* These included (i) UNHCR's selection of a capable and experienced cooperating agency for implementation, (ii) clearly established criteria for selecting subprojects, (iii) the use of existing local implementation capabilities, (iv) effective monitoring and supervision arrangements, and (v) the industriousness of the refugees themselves.

24. *The Pakistan-Afghan IGPRA approach does not provide a blueprint for replication, and solutions must be adapted to each different situation since the positive features of the Pakistan case may not be repeated elsewhere.* Planning must start from a detailed understanding of the refugee and local situations, preferably by documenting relevant social, logistical, and economic issues, and with a clear appreciation of the political factors likely to affect refugee employment initiatives. The design of individual projects should take into account the factors making for success as identified above.

2. Findings and Lessons Learned

Achievement of Objectives

1 The achievements of the IGPRA program, including the substantial range of assets created, the relatively problem-free implementation, and the substantial impact on refugee employment and incomes, are impressive. The achievements are a credit to the sponsors and designers of the program, the many staff responsible for implementation, and the hard-working refugees. Most of the investments financed continue to have a substantial impact on the local economies. The local populations enjoy the assets created under IGPRA, both the public goods and substantial private assets. Benefits to refugees included employment during implementation, which typically lasted a few months over several years for a small proportion of the refugees, the acquisition of new skills which continue to provide income, and improved infrastructure in the areas where refugees continue to live.

2 All this was achieved with relatively low in-country overheads since, in the main, existing government staff were responsible for implementation. Bank supervision of the three operations was intensive and included substantial technical inputs from consultants. This contributed to solid project achievements and served to reassure the donors and UNHCR that the projects were being implemented efficiently. With the possible exception of this unusually heavy Bank implementation role, the IGPRA projects and subprojects were a cost-effective way of achieving the main objectives.

3 The IGPRA success in achieving most of its stated objectives can be attributed to:

(i) the selection of the World Bank to administer the project, bringing in institutional expertise built with ready availability of experienced personnel, knowledge of the local scene (which enabled effective communication with the authorities and promoted donor confidence);

(ii) laying out clearly stated criteria for subproject selection and approval;

(iii) utilization of the strength and experience of line departments of the provincial governments in fields where tested abilities were available with minimum input of external/international consultants, rather than establishing a new and separate project institution;

(iv) setting up of an effective monitoring and supervision system to supplement the already available system of the provincial governments and line departments; and

(v) the highly favorable work attitude and ethics of the Afghan refugees and their affinity with local populations, including their ready acceptability by private contractors and the line departments.

The remainder of this chapter discusses features contributing to success and aspects that could improve the impact of such projects elsewhere.

Employment Creation and Income Generation

4 The objective of providing supplementary income to refugees by implementing labor-intensive subprojects, and employing refugees as at least fifty percent of the labor on the projects, has been met. However, as a result there was a tendency to neglect other important aspects such as economic efficiency and equity. Refugee labor was 76 percent of the total labor generated by the project, but dropped to 66 percent in IGPRA-III and even lower in some subprojects. To the extent that the objective was to provide supplementary incomes to vulnerable refugees, labor recruitment could have been more targeted at refugees residing in the RVs rather than all Afghan refugees, and preference could have been given to vulnerable families, particularly those who could not spare a male to travel to the cities in search of work. As it is, some families were able to benefit from two or more IGPRA wages while others were dependent on the casual labor market. Restrictions could have been applied to prevent the hiring of more than one person per family so as to distribute project benefits more widely.

Pakistan's Reception of Refugees

5 In other refugee situations, particularly those where the refugees are not received with the tolerance and support that they found in Pakistan, projects like IGPRA may serve to change the perception of refugees from that of parasites living on the dole to that of a productive group that is willing to repay the host country for the hospitality received, earning their livelihood in the process.

.6 Two conditions that already existed prior to IGPRA have also contributed to its success. They are the cultural affinity between the refugees and the host population, and the open economic policy towards refugees of the host governments. These are said to explain various features of the Afghan refugee experience in Pakistan, and IGPRA's success. Faced with crises, it is natural that beleaguered groups seek shelter among their cultural affines. As in many other refugee situations, Afghan refugees who could do so tended to seek refuge in continuous areas of cultural affinity. The Pakhtuns fled to the North-West Frontier Province, and to the Pakhtun belt in Balochistan, while Dari-speakers sought refuge in Iran. Cultural affinity made it easier for Afghan refugees to be accepted as coworkers in IGPRA activities.

7 Since political borders dissect cultural units in quite a few refugee areas around the world, cultural affinities are a source of potential strength in planning and executing income-generating activities in other refugee situations. A clear understanding of the nature of cultural affinity, or otherwise, in each situation is important. Strong cultural affinity is likely to result in open doors to labor markets, and open camps to allow refugee labor to respond to the local economy. Where there is little affinity there may be fewer or even no employment opportunities, or worse, even closed camps preventing refugees from interacting in any way with the local population. While the Pakistan case is characterized by strong affinities, even then there were instances of less affinity such as the Pakhtuns in Punjab. Of course, camp location planning in Pakistan generally took cultural affinity into account.

Funding Strategies

.8 Once the program was established and operating successfully, a rolling series of donor replenishments of funds would be an efficient way to maintain project momentum and

continuity. Such a funding arrangement does not require that all donors replenish at the same time, so long as donor funds are not tied to specific activities or areas. This is an added advantage.[14] Such a rolling funding program would have required a change in the World Bank's normal project cycle procedures, but would have reduced overhead staff costs and the uncertainty inherent in a repetitive project appraisal process. Since Bank funds are not involved, such a change should not be difficult to achieve. Alternatively, a shorter and quicker form of appraisal addressing only the performance of the program and any needed modifications could be used in such situations where the operation is to continue with renewed funds more or less unchanged.[15]

Project Design and Subproject Selection

9 The main features of the project design proved their worth by being sustained over fourteen years and two additional (beyond the initial) appraisals. These essential features are the series of relatively small subprojects, implementation through existing agencies, labor-intensive methods, and the use of familiar and proven construction methods and technologies. The work was essentially more of what the line departments were already accustomed to implementing, such that there were very few subproject failures attributable to lack of knowledge. Ensuring that the subprojects met the usual approval criteria for all development projects restricted risky forays into novel operations.

10 The design of individual subprojects relied on existing standards and procedures, since they were similar to many other such operations implemented by the agencies, and as such benefited from previous standards and experience. With only the few exceptions noted, the evaluation endorses the technical quality of subprojects. The main qualification relates to the dangers of picking small subprojects at random, in order to meet employment and location objectives, without due regard to wider considerations in an overall design. The prime example of this problem was in river training, where subprojects were not always part of an overall master plan design for solving flooding and erosion problems.

11 The experience in Balochistan has shown that untested large-scale applications of benefits or outcomes (in this case, new plantings) may lead to undesirable results, both technically (in the case of seed sowing and plantation in Kohar and Spinwar) and strategically (as in Ziarat Valley and Bund Khusdhil Khan, where some of the sites were overrun by the local communities).

12 Selection of subprojects appear to have been dominated by the imperative to create employment for refugees. Primary concerns were that the subprojects should be labor-intensive, and that the sites should be accessible to refugees. Subprojects were treated as discrete units implemented by three separate departments in each province. Subprojects were identified by each department separately. No clear statement of priority was made and coordination between the departments was not required. In hindsight, IGPRA could have benefited from the

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14. The Aga Khan Rural Support Programme in northern Pakistan has been funded in such a way by a dozen or more donors for over a decade.

15. The observation by the Beneficiary Social Impact Study that IGPRA was not well known to the refugees is of concern to donors and suggests that in future greater attention should be paid to making such projects more visible to beneficiaries.

application of three well-defined criteria for project selection—environmental, developmental, equity.

13 In practice, it appeared that one of the subproject selection criterion, that subprojects be near refugee camps, was not critical to meeting the refugee employment objectives. Indeed the question arises of whether that criterion unnecessarily restricted the selection of subprojects, such as major road construction, which might be distant from camps but would have employed large numbers of refugees. Refugees demonstrated independently their willingness to leave the camps for long periods in search of work.

14 Instead of treating subprojects as discrete interventions scattered over a large landscape, the project could have been designed to select developmental priorities for each geographic region. Subprojects could then have been clustered around those priorities. Such clustering took place coincidentally in the catchment of Bund Khushdil Khan (see Box 7.1) where thirteen subprojects involving all three sectors have dovetailed to create a whole that is greater than the sum of its parts. If subprojects were bundled by location rather than by implementing agency, there would be a greater possibility of achieving synergy between several subprojects, reducing supervision costs, and ensuring that sectoral and local priorities coincide with or contribute to a larger regional or national priority.

Box 1: Subproject Grouping—Bund Khushdil Khan

With the exception of a few sub-projects that were designed as extensions of earlier ones, the subprojects were planned as discrete isolated entities, unrelated to each other. As a result, their impact was limited to the individual impact of each sub-project.

The missed opportunity is well-illustrated by the coincidence of the fortuitous location of thirteen IGPRA subprojects in a single area.. This was in the catchment of a storage reservoir at Bund Khushdil Khan (BKK) in Balochistan, built in 1890 to irrigate 10,000 acres of prime land used mainly for orchards (see Plates 7 and 8). The reservoir was heavily silted up in recent years, reducing the command area to 2,500 acres. This reduced utility was also threatened by soil erosion upstream. Environmental rehabilitation was urgently needed to prolong the useful life of this irrigation system.

The flood protection and watershed management subprojects upstream contributed toward the sustainability of the BKK irrigation system, while the irrigation and roads projects enhanced economic opportunities within the catchment. Each subproject thus had a local impact and also contributed toward a larger regional development objective, benefiting the population downstream beyond the immediate project area. The result was synergy between the sub-projects, and a collective impact greater than the sum of its parts.

Other advantages of grouping subprojects in such rural programs include easier monitoring and supervision, and the possibility of cross-subsidizing maintenance costs of some subprojects with the income derived from others. Clustering and dovetailing of subprojects leads to economies of scale from a project management point of view, as well as offering possibilities of greater cost-effectiveness and a higher ERR.

Environmental Considerations

15 One of the main justifications for IGPRA was the need to repair the environmental damage caused by the refugees. Some of the subprojects selected did not meet this criteria, and in many cases it would have been difficult to repair damage while refugees were still in the area. Although all forestry and watershed management subprojects were implemented to improve the natural resource base in Pakistan (see Annex C), selection of most sites was not based on environmental damage caused by refugees at those sites. At best the subprojects could be considered compensation for environmental damage done elsewhere, or were priority environmental sites because they protected valuable infrastructure of national importance (e.g. Soka Nullah protecting Tarbela reservoir, Khanpur protecting the Khanpur dam, Barshore protecting Bund Khushdil Khan).

16 Refugee damage to the environment being a major concern, at least some of the subprojects could have been designed to cater to refugee demand for fuelwood and fodder—which led to much of the damage. Proper incentives and technical support could have enabled farmers to produce fuelwood and fodder for the refugees on a sustained basis, at least in NWFP and the Punjab, had the link between production and refugee demand been consciously made. In Balochistan this would only be possible on irrigated land. The point, however, remains that a link between subproject based resource production and the needs of refugees could help conserve the environment.

Equity Considerations

17 The understanding of the local beneficiary base by IGPRA's planners and implementors, including the World Bank and the implementing departments, was inadequate. Although the departments insisted that subprojects were implemented for the benefit of the local community, benefits from the majority of subprojects are likely to accrue to only a handful of landowners, who constitute less than ten percent of the population in those villages. As with other government projects, many IGPRA subprojects provide substantial subsidies to well-to-do farmers. The rural poor have either been ignored or, at some locations, are worse off because of the closure of land that had previously been accessible and communal.

18 Problems with *shamilat* were first highlighted in World Bank literature by Michael Cernea (1985: 272-278), in relation to the Azad Kashmir Hill Farming Technical Development Project in Pakistan. The development community continues to be slow to internalize such lessons. Given the prior awareness of the Bank of problems with the *shamilat*, one might have expected an avoidance of past mistakes. Where an externally-sponsored project is likely to affect the tenurial arrangements, in particular the relationship between junior and senior rights, a compensatory plan should be put in place in order to avoid impoverishing the poor even further.

19 Equity considerations in development projects normally demand that:

- all segments of the population can avail themselves of the opportunities created by, and obtain access to the benefits stemming from, the intervention;
- the poor are not worse off than they are before the intervention, i.e. in absolute terms they continue to derive at least as many benefits as they did before;
- fair and adequate compensation is provided to any segment of the population which is likely to be adversely affected by the intervention;

- cost recovery mechanisms are designed so that cost contributions are proportional to the distribution of the expected stream of benefits; and
- the income gap between the rich and the poor is not increased.

20 By overlooking tenurial issues, IGPRA has contributed to exacerbating existing inequities. A proper understanding of local tenurial rights and an understanding of the potential impact of subproject intervention on different socio-economic segments of the local population should be part of project preparation, as well as of the subproject selection process. This will help reduce potential disputes between the community and implementing agency, as well as between the community members themselves. Prevailing tenurial issues can be of particular importance for forestry and conservation activity, and are likely to influence, either positively or negatively, subproject implementation as well as results. Where overlooking tenurial issues has resulted in equity problems, the options for correcting the situation later are limited. Transfers of ownership on a willing-buyer/willing-seller basis are possible, but the most realistic course is probably to foster community organizations which can deal with the problems arising in a way agreed by all and fair to all.

IGPRA and Women

21 Women were, by and large, excluded from IGPRA. Cultural restrictions inhibiting the mobility of Afghan women are all the more acute in refugee camps where they are compelled to live in close proximity to strangers. The challenge is to find work in sectors where women's work is acceptable, and to create working conditions where they feel secure. With the exception of one forest nursery subproject in NWFP, IGPRA did not include any special effort to provide income opportunities to women. This was a missed opportunity. The success of that nursery subproject suggests that this is an activity where women could have been more broadly involved throughout. Other possibilities might have emerged had IGPRA incorporated a process of consulting the women directly.

22 Women were not, however, insulated from the effects of IGPRA. While they benefited from the income received by their men, they also suffered insecurity, deprivation, and an increased workload, particularly from the closure of forested lands. More attention during planning to the potential positive and negative implication of subprojects could avoid such adverse impacts on women in the future.

Sustainability [16]

23 Whereas the bulk of the infrastructure investments are being adequately maintained and are likely to be sustainable, there are exceptions.[17] Some roads require additional periodic maintenance, in part because they are the heaviest used of all the IGPRA roads seen. Heavy use indicates, of course, that the roads were of high priority and this commends the selection process (see Plates 10 and 12). In contrast, some of the metalled canal roads in NWFP are in excellent

16. Defined as the probability that projected benefits will be sustained for the economic life of the subproject.

17. Sustainability problems were evident in 15 of the 60 infrastructure subprojects visited (5 flood control/river training, 4 roads, 4 canals and 2 irrigation tanks).

condition, both because they are lightly used in comparison, and they have received more than adequate maintenance, perhaps more than required (see Plate 11).

24 The sustainability of flood protection works is generally judged to be high within the design flood probabilities (see Plates 13, 14 and 15), although the common problem (reportedly experienced in other such projects as well) of rusting substandard gabion wires was noted at a small number of sites which better quality monitoring and contractual controls might have prevented. The sustainability of the private *karezes* in Balochistan has been adequately demonstrated over the centuries (see Plates 2 and 3), but the mission feels that this long tradition of private engineering was undermined by publicly subsidized intervention that may have created expectations by the owners for continued public funding of private assets. This is equally true for owners of private lands that were afforested. It would have been better if only those *karezes* damaged by refugees had been funded under the project, but surprisingly, two that had been destroyed by refugees received no IGPRA attention.

25 Judging the sustainability of forestry and conservation subprojects is more complex since climate, land tenure and social factors are all involved. State lands are traditionally open to public access and exploitation, and the so-called communal lands in NWFP are in fact owned by a limited number of the local elite. Hence, social problems could threaten the sustainability of forest plantings on such lands. Clearly a number of the forestry subprojects on state lands in Balochistan are not sustainable, would in any case have very poor rates of return, and should not have been pursued given known technical problems.

26 Since the long-term beneficiaries are the host population, the sustainability of subprojects could have been increased substantially if local communities had been involved in project selection, design and implementation (see next section). Efforts to set up Village Development Committees (VDCs) for O&M of forest plantations appear to be ineffective, perhaps because VDCs are essentially duplicating existing traditional institutions. Where local communities can have a positive or negative influence on subproject sustainability, but have not been involved in the selection or implementation of the subproject, it may be difficult to overcome the obstacles to sustainability later. Ownership of the assets strongly influences sustainability, and this suggests that in some cases transfer of ownership could be an option worth considering. Fostering rural organizations that can influence, for good, the actions of individuals is also an option for increasing sustainability.

Project Management

Command Management vs. Community Participation

27 All IGPRA subprojects have been implemented as command projects with virtually no local participation. Even large landowners who will be the biggest beneficiaries from IGPRA were not expected to participate in project implementation. The result is a lack of local ownership, continued dependence on the government for maintenance, and little likelihood of ensuring that the benefits will be widely distributed.

28 The relationship of people to resources changes according to whether or not they are owners, or at least have some sense of communal rights to the resources. In this case the Pakistanis are the owners of the resources, or at least some of them are. New assets created by the projects belong to some or to all of them. If the assets are maintained, they should continue to derive benefits from them long after the refugees are gone. Participation in asset management can be expected of the local community but not from the refugees, unless their rights over those assets are clearly defined.

29 Community participation enhances local ownership and contributes toward project sustainability, provided the local community has been involved in the subproject from the identification and inception stage, provided the subproject is based on a proper understanding of the complex tenurial rights involved, and provided subproject management builds on existing institutional arrangements. Where these conditions are not found, community participation is not realistic and subproject sustainability remains doubtful. Traditional community participation (including the *jirga*) does not include women. Therefore special efforts have to be made to include women in these consultations, otherwise they will remain "marginalized," as one reviewer of this report has commented. Community participation in the fullest sense is time consuming, and may be difficult for government line agencies to manage. Some of the subproject types, especially forestry and conservation, may be suitable for implementation with assistance from qualified NGOs.

Planning ahead for operations and management

30 There is urgent need to bring the IGPRA forest plantations under appropriate management. Attempts to address this need are underway but have not been pursued vigorously enough. Some of the plantations, such as IGPRA-I sites in Soka Nullah, Hangu Forest Reserve and Chak Sarkar irrigated plantation, have already reached the first tending stage, but none are yet under a management plan. Means to providing refugees with a stake in the long-term maintenance and improvement of the local resource base should also be developed. One example could be to allocate a portion of state land as a woodlot for fuelwood and fodder needs of an RV. The FD could provide the inputs initially and help develop a management plan for continued management by the refugees of that RV. Such a plan could have avoided environmental damage to the surrounding areas, reducing conflicts with locals.

31 Involving local communities at project inception could have ensured the selection of subprojects with a wider local beneficiary base, reduced the level of external investment by obtaining contributions in cash or kind from local beneficiaries, reduced costs by lowering demands on management time from government staff, and had a better chance of instituting management systems for continued O&M beyond the life of IGPRA. Many projects have made the mistake of tacking on community participation at the end of a project when the implementation has been completed and the only remaining issue is O&M. The universal experience is that, at that stage, people are unwilling to take responsibility or "ownership" of the project. Management plans for forest plantations are currently being prepared, but very late in the game, too near to the point when the FD is expected to withdraw its management role. Devolution of responsibility to local communities has not been attempted for roads and irrigation/flood protection subprojects.

32 Conflicting claims need to be resolved and those who are likely to benefit at the expense of others need to find ways of compensating the losers. The terms of partnership should consist

of a transparent plan with their respective contributions for project implementation, the sharing of benefits, and their responsibilities for continued O&M clearly spelled out. Only then can the project expect any serious level of local participation and ownership for the sub-projects.

33 Instead of exploring the possibility of working with existing institutions at the village level, such as the *jirga* (see Box 5.1), the FD assumed that there was an institutional vacuum and insisted on creating a new entity, the VDC, for forest management. In most cases this was unnecessary. An institutional mapping exercise that assesses the relevance, potential role, and strengths and weaknesses of existing institutions should precede rural works programs like IGPRA, particularly when subproject sustainability depends on continued participation of local communities.

Effective Extension

34 An effective extension service, or social organizer function, is needed for the successful implementation of village forestry activities, mainly to inform communities of the usefulness and benefits of the scheme to be undertaken. The disputes that arose in some subproject sites in Balochistan could have been avoided had there been more prior consultation and dialogue with the affected communities. Moreover, some of the subproject objectives, such as the regeneration and protection of rangeland, can be achieved only with the cooperation of communities.

Labor Management

35 Special labor recruitment efforts are needed to ensure that the objectives of targeted projects like IGPRA are met. UNHCR's labor monitoring role contributed toward this goal, but the reliance on labor contractors turned out to be an effective mechanism for the achievement of refugee employment targets.

36 The lesson from the IGPRA projects in Pakistan is that recruitment of refugees would have been much more difficult without the labor contractors, and that these labor contractors were very cost-effective in providing the services, such as transportation and meals, that were needed by the refugees. Although the IGPRA projects did not legitimize this role, in practice, the implementing departments were heavily dependent on labor contractors. Recognition and legitimization of the role of labor contractors would have enabled IGPRA to specify the services expected, and allocate a budget to compensate them in proportion to services rendered. This would also have brought the labor contracting system within the ambit of project monitoring.

The Role of UNHCR in Stimulating Income-Generating Activities

37 UNHCR deserves credit for having initiated an innovative project and, being aware of its own limitations, for enlisting the World Bank as a partner. In the context of IGPRA organizational arrangements, the team considered whether there was a case for UNHCR's mandate being changed to permit it to address income generation for refugees more directly. This would be in contrast to its earlier roles as the initiator of IGPRA, and monitor of labor use. However, there seems little justification for changing UNHCR's mandate given that there are already other agencies with mandates and expertise in these areas. UNHCR's future role may best be one of facilitator and enabler, helping development agencies by virtue of its comparative

I. INTRODUCTION

1. A workshop on the Income Generating Project for Refugee Areas (IGPRA) in Pakistan was held in Islamabad from 6 to 7 May 1996. The workshop's agenda included the discussions on the evaluation submitted by the Evaluation Department of the World Bank. Discussions centered around modalities for improvement of the IGPRA model and its successful replication in other similar refugee areas in other regions and, in particular, returnee situations.

2. The workshop was attended by representatives from UNHCR, the World Bank, the Government of Pakistan, the UN Development Agencies and local Research Institutions.

3. This report presents the main conclusions and recommendations reached by the workshop as well as a summary of the findings - and lessons learned - from the evaluation exercise. The workshop agenda, introductory paper and a summary of the participants' observations as well as the list of participants are attached as Annexes A, B, C and D respectively.

advantages in refugee circumstances, and working cooperatively rather than acting singly to relieve income problems in refugee areas.

38 UNHCR could consider the possibility, however, of not just initiating direct income-generating investment projects, but also exploring alternate means of raising employment in refugee areas. These could include encouraging donors and other sponsors of development to locate more of their activities in refugee-affected areas, and not solely for refugees, promoting credit programs for labor-based activities, and other means of indirectly expanding employment opportunities by stimulating the local economy. Relief of the economic disruption caused by the influx of refugee labor does not have to rely on employment creation targeted at refugees. If camps are open labor is fungible, and any stimulation of employment will increase income opportunities for refugees.

39 From the earliest exchanges with the Bank, IGPRA-I was viewed by UNHCR as a model and a pilot which, if successful, could be replicated elsewhere, possibly with Bank assistance. IGPRA-I was successful, as acknowledged at the appraisal of IGPRA-II in 1987, but replication was limited to projects in Iran and Sudan with IFAD, and in Somalia with the Bank.

Replication in Other Refugee-Impacted Countries

40 The IGPRA model of discrete labor-intensive subprojects employing refugees in asset creation in the host country, as a means of generating income for refugees, has proven itself in Pakistan with Afghan refugees. However, replication of this model elsewhere should not be undertaken without a careful analysis of the particular circumstances, especially the differences from the Pakistan case. Some of the positive factors in Pakistan may not be present in other refugee situations. Replication of the IGPRA model as it developed in Pakistan should be done with great care. Even within this model there are significant variations from place to place around the various refugee areas. Sources of variation are found in the degree of cultural affinity between the refugees and their host population, climate and natural resource base, and the robustness of local economies.

41 Planning an IGPRA strategy and program for other countries must start from an intimate knowledge of those areas, and of the particular refugee population, without treating the Pakistan example as a blueprint. Flexibility and imagination are essential, and the evaluation team suggests the following guidelines:

- **In developing a strategy**, start from a detailed review of the economic, social and environmental status of both the refugees and host populations in those areas. This should begin early in the humanitarian relief period, and should include the documentation of a social, economic and physical baseline. A clear appreciation of political factors relating to the presence of refugees in the host country will also have a strong influence on the feasibility of different approaches.

  Where the host country is amenable to off-camp employment of refugees, the IGPRA model is not the only option that might be considered. Sponsoring direct employment of refugees in labor-based development projects may not be the most cost-effective way of rapidly stimulating expansion of overall labor demand in the areas of interest, to generate employment opportunities and income for refugees. A broader approach could include funding budget increases for existing government

programs that directly or indirectly affect local employment in refugee areas, facilitating and enabling the operations of interested sponsors (including bilateral and multilateral donors, national and international NGOs, and commercial interests) to bring more investment to these areas; and the creation and expansion of credit lines, through existing credit institutions in the areas, for activities that have significant local labor impact.

- **In designing projects of the IGPRA type**, take the following points into account:

  a) selection of an experienced agency to administer the donated funds and execute the program (Since UNHCR may not manage development activities, where the Bank is not active it could turn to other UN agencies or international NGOs to administer income-generating projects for refugees);

  b) a clear statement of objectives in order of priority, to be used in the subproject selection process;

  c) implementation administered by existing agencies within their normal range of activities, with minimal additional project-specific administrative structure (there may be a role for NGOs to assist implementation of activities such as forestry and conservation);

  d) explicit subproject selection criteria, including types, locations, routine local approvals (if normally given), labor aspects, and damage repair, and selection of subprojects, if possible, from approved but unfunded programs;

  e) community/beneficiary participation in subproject selection, design and implementation where practicable, including special efforts to include women;

  f) selection of several associated schemes in one area to foster economies of scale and encourage synergy;

  g) clear supervision and monitoring arrangements and capability;

  h) clear understanding and guidelines on labor sources and wage rates; and

  i) funding channels that are as similar as possible to those routinely used.

ANNEXES

ANNEX A

NATIONS UNIES
HAUT COMMISSARIAT POUR LES REFUGIES

Délégation en Pakistan

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UNITED NATIONS
HIGH COMMISSIONER FOR REFUGEES

Branch Office in Pakistan

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P.O. Box 1263
ISLAMABAD, Pakistan

Workshop
on
Income Generating Project for Refugee Areas (IGPRA) in Pakistan
Islamabad, Pakistan
6 and 7 May 1996

Provisional Agenda

6 May 1996
Chairperson: Mr. Ismael Niazi, Joint Secretary, SAFRON
Rapporteur: W. Barron/ S. Asaba

08:30 - 09:15 Registration of participants

Morning Session
09:15 - 09:45 Opening remarks
Mr. Ridwan Ali, Division Chief, Agricultural and Operations Division, South Asia Department, The World Bank, Washington
Maj. Gen. (Retd) Sardar M. Khalid, Secretary, SAFRON
Mr. Jacques Mouchet, Representative, UNHCR Islamabad

09:45 - 10:15 Introduction to 'Refugee Aid and Development' Approach in UNHCR
(Mr. Larbi Mebtouche, Senior Economist/Planner, UNHCR Geneva)

10:15 - 10:45 Break

10.45 - 11:45 Presentation of IGPRA in Pakistan
Mr. Ismael Niazi, Joint Secretary, SAFRON
Mr. Guy Motha, Task Manager, South Asia Department, The World Bank, Washington

11:45 - 12:00 Rationale, Objectives and Relevance of the Evaluation Study to UNHCR
(Mr. Larbi Mebtouche, Senior Economist/Planner, UNHCR, Geneva)

12:00 - 13:45 Buffet Lunch (to be provided at The World Bank Resident Mission)

ANNEX B

UNITED NATIONS

HIGH COMMISSIONER
FOR REFUGEES

NATIONS UNIES

HAUT COMMISSARIAT
POUR LES REFUGIES

Workshop
on
Income Generating Project for Refugee Areas (IGPRA) in Pakistan

Islamabad, Pakistan
6 and 7 May 1996

Introductory Paper

1. Background

UNHCR has been assisting, over 12 years, the Government of Pakistan with three Income Generating Projects for Refugee Areas (IGPRA) with grant funds provided by donors amounting, in total, to some US$ 86 million. The main objectives of these pioneer refugee aid and development projects, which were administered by the World Bank, were to create employment and generate income for Afghan refugees and local residents, rehabilitate some of the physical damage caused by the refugees and their livestock to the environment and the infrastructure, while establishing a range of durable economic and institutional assets for Pakistan, using labour intensive and on-the-job training techniques.

The first three year project was from 1984 to 86, the second from 1987 to 90 and the third commenced in 1991 and is expected to be completed by 31 December 1996. An overall evaluation exercise has been entrusted to the Operations Evaluation Department of the World Bank in order to draw-up lessons learned from this unique joint venture which will interalia, improve the "model" and guide UNHCR in replicating it with other Organizations and in other regions, in particular in returnee areas in post-conflict situations. In this connection, a two-day workshop is proposed to take place in Islamabad from 6 to 7 May 1996.

2. Objectives

The main objectives of the workshop are, inter alia, to:

- share the conclusions and recommendations of the evaluation study among all the parties concerned;
- discuss lessons learned from the model and
- through intensive group discussions, draw up conditions and modalities for the improvement of the IGPRA model and its successful replication in other geographical areas, in particular in 'returnee' areas.

7. Support Documents

- Introductory paper
- Agenda of the workshop
- Provisional list of participants
- Evaluation report of the IGPRA in Pakistan (The World Bank)
- Terms of Reference for the Evaluation
- Refugee Aid and Development (UNHCR)
- Bridging the gap between Returnee Aid and Development (UNHCR)
- Helping Refugees Help Themselves - Generating Income and Jobs (UNHCR)

ANNEX C

SUMMARY OF PARTICIPANTS' OBSERVATIONS ON THE DRAFT EVALUATION REPORT

I. General

1. Overall, the report is comprehensive and in line with the Terms of Reference jointly prepared by UNHCR and The World Bank. The report was very well received by all the participants of the Workshop.

2. The following points could be further considered when drawing up the final recommendations and relate, inter alia, to:

   - How to improve and better structure the on-the-job training through such projects.

   - Are there any cost-effective alternative implementing mechanisms (e.g. relying more on The World Bank resident mission and local NGOs, instead of PCU and Supervision Missions from Headquarters) which could be considered and recommended for the future?

   - How the classical World Bank identification/preparation/appraisal cycle could be simplified and shortened somewhat, in order to adapt it to such projects and refugee situations where rapid impact is expected. Elaboration also on alternative donor replenishment funding without interruptions from one phase to the next.

   - How the problems identified regarding sustainability (and equity) could be addressed.

II. Specific

1. The Evaluation Report has shown that estimates of economic rates of return are high at completion of the project. How the estimates of benefits and rates of return were estimated was also queried.

2. What are the negative impacts of the project? The Evaluation Report does not spell out the negative impacts in a clear and summarized way. Suggestions were made to include a special box in Chapter 7, presenting both positive and negative impacts.

3. How would the OED comment on the cost per job created (Annex B - Table 4)? For IGPRA, the cost is USD 602, which is higher than cash-for-work programmes in other Asian countries. How is this explained?

4. The statement in paragraph 19 of the Evaluation Report " ... it may have reduced repatriation incentives ..." is hypothetical. There is no basis for making this statement.

13. What are the social and economic costs associated with the delays in funding? For example, what is the impact (psychological) on contractors and refugees due to delay in the release of funds?

14. In the consideration of a community participation approach, it must be noted that the Jirga system and Village Development Committees marginalize women, reinforcing social practices that are to the detriment of women. The IGPRA sub-projects have focused almost predominantly on income generation for men, not women.

15. What are the total administrative costs of IGPRA for each phase? They are not clear.

16. Table 6 of Annex B requires modification, since 100 % food beneficiaries in 1982 were considered to be "poor". Furthermore, one cannot compare distribution of food to every individual under a relief programme with distribution of 'food' to those who participate in an income generation programme.

17. Constraints experienced in disbursement of funds from The World Bank to Government of Pakistan and to provincial levels should be better reflected.

18. It is stated in page 15, paragraph 2 that there "has been no follow-up of the Pakistan model in other refugee situations". This statement is somewhat misleading; indeed, similar ventures have been initiated by UNHCR with IFAD in Iran and Sudan and in Somalia with The World Bank, after the Pakistan joint venture. Experiences in Sudan and Somalia with the Bank have unfortunately not received the support expected from the donor community.

19. Page 19, last sentence of the first paragraph: Not only was UNHCR concerned with refugee employment and self-sufficiency but also with environment rehabilitation and smooth cohabitation between refugees and locals.

20. Page 19, paragraph 12: It would be useful if the delays in the release of funds by repetitive appraisals could be elaborated on and corrective measures concretely proposed for the improvement of the process.

21. Page 21, first sentence of paragraph 19: It seems extremely difficult to make such a statement unless solid reasons are provided. One should remember that, after all, the IGPRA has provided work for only a small proportion of refugees, and this only on a seasonal basis. Moreover, the high rates of repatriation observed in 1992/93 indicate that the IGPRA has not played a significant role in scaling-down the repatriation process. The low level of repatriation should be attributed mainly to the ongoing civil strife in Afghanistan.

ANNEX D

IGPRA Workshop, Islamabad May 6-7, 1996
List of Participants

Name	*Title*	*Organization*
Governments (Pakistan)		
Maj. Gen. (retd) Sardar M. Khalid	Secretary	States and Frontier Regions Division (SAFRON)
Mr. Ismael Niazi	Joint Secretary	SAFRON
Mr. Yar Mohammad Khan	Secretary	Forestry Department, Provincial Government of NWFP
Brig. (retd) Jamshed Ali Khan	Chief Commissioner	Chief Commissionerate for Afghan Refugees
Syed Iqbal Hussain Rizvi	Deputy Secretary (IGPRA Proj. Coord. Unit)	SAFRON
Col. (retd) Nasir Abbas	Commissioner	Commissionerate for Afghan Refugees (Punjab)
Mr. Muhammad Saleem	Conservator	Forestry Department, Provincial Government of Balochistan
Dr. Mohammad Aslam Sial	Chief, Fiscal and Monetary Section	Ministry of Planning and Development
Mr. Gulzar Khan	Project Coordinator	Irrigation Department, Provincial Government of NWFP
Mr. Fayaz Durrani	Project Engineer (IGPRA)	L.G.R.D.D., Provincial Government of NWFP
Col. (retd) Hidayatullah Khan	Deputy Secretary	SAFRON
Qazi Sami ur Rahman (PCU)	Statistical Officer	SAFRON
Mr. Malik Khan	Section Officer	SAFRON
Ms. Samar Ihsan	Section Officer	Economic Affairs Division
Government of the Islamic Republic of Iran		
	Deputy Minister	Ministry of Jehad
Embassies/Organizations		
Ms. Caryl Courtney	Refugee Counselor	The Embassy of the United States of America in Pakistan
Mr. Havinga, R.	First Secretary (Development)	Royal Netherlands Embassy in Pakistan
Mr. Winston MacColgan	Counselor	European Union Delegation in Pakistan

Name	*Title*	*Organization*
Mr. Watanabe	Attaché	Embassy of Japan in Pakistan
Mr. Sohail Malik	Programme Officer	Swiss Development Corporation
Non-Governmental Organizations/Consulting Firms		
Mr. Siddiq Sallek	Programme Officer	NCA/NRC
Ms. Liz Spencer	Programme Officer	ACBAR
Dr. Saba Khattak	Research Fellow	Sustainable Development Policy Institute (SDP)
Mr. Azhar Khan	Programme Manager	National Rural Support Programme
United Nations Agencies		
Mr. Winston Rueben Dudley	Director	International Labor Organization (ILO)
Mr. Abdul Haq Amiri	Programme Officer	UNOCHA
Mr. Peter Ian Jobber	Country Director	World Food Programme (WFP) - Pakistan
Ms. Samina Hassan	Sr. Programme Officer	ILO
Ms. Samina Kamal	Sr. Programme Officer	UNDP
Mr. J. Taft-Dick		WFP Rome
The World Bank, Washington Headquarters		
Mr. Roger Slade	Division Chief	Agricultural and Human Development Division, Operations Evaluation Department
Mr. Ridwan Ali	Division Chief	Agricultural and Natural Resources Division, South Asia Department
Mr. Guy Motha	Task Manager	" " " "
The World Bank, Resident Mission in Pakistan		
Mr. Sadiq Ahmed	Chief of Mission	
Mr. Abdul Qaiyum Sheikh	Project Adviser	
Ms. Humaira Qureshi	Staff Assistant (Environment Section)	

II. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS IGPRA WORKSHOP 6-7 MAY 1996, ISLAMABAD

A. Project achievements

1. Project performance: Overall project performance is considered satisfactory as compared to the objectives. This success should be attributed to all parties involved, in particular the provincial line departments who actually implemented the project. IGPRA fully met its objectives in providing employment opportunities and income generation for its beneficiaries (refugees and locals). IGPRA actually put more emphasis on income generation rather than on creation of assets and the restoration of environmental and infrastructure damage caused by refugees in hosting areas. A better targeting of project areas would have undoubtedly improved the impact. In this connection, a base-line survey of the damage caused by Afghan refugees should have been carried out at the beginning. Moreover preventive interventions could have been included in the IGPRA, in addition to the curative actions adopted by IGPRA. The project did not address the rangeland concerns despite the sheer magnitude of the livestock brought by the Afghan refugees.

2. Refugee/local participation balance in labour activities generated by IGPRA was appropriate in provinces where IGPRA was implemented.

3. Sustainability: Adequate attention was not given, at the earliest stages of the project, to the long-term sustainability of the assets created. In particular, the IGPRA should have more effectively involved the local beneficiaries/communities throughout the project cycle i.e. from its conception design to implementation and maintenance. Management plans involving local communities and the relevant line departments should have been established in each project area.

4. Programme vs. project approach: IGPRA was, to a large extent, a project implemented in isolation of the on-going programmes of the provincial governments, even though provincial line departments staff and mechanisms were the actual "implementers" of the project. Planners/implementers should have envisaged mechanisms to handover - on a sustainable basis - the assets created under the project to other existing programmes (for example, the Social Action Programme and the line departments programmes).

5. Formal and on-the-job training should have been incorporated at the earliest stage of the project and used in a more structured and effective manner, given its importance, for the reintegration of refugees in their home country.

6. Involvement of women: Despite the (local) constraints invoked by the project designers, (more specific) women-targeted sub-projects could have been initiated and carried out successfully as demonstrated by the pilot "women nurseries" and "home energy savings" sub-projects. Such projects could have been implemented along the community based approach and through partnerships with NGOs.

22. Page 34, paragraph 3.2: It would be very useful if the observations made on sub-project selection criteria (e.g. Forestry Component) could be further elaborated on. The reasons for introducing the "environmental" criterion in Phase III are not clear. Very little is mentioned on how tree species were selected. Were local needs fully considered during this selection process?

23. Page 45, paragraph 3.32: The role played by UNHCR in refugee labour monitoring was actually strongly supported by Donors who wanted to ensure that refugees are effectively benefiting from the project. Moreover, the wage rates and contractual provisions cannot constitute sufficient safeguards for ensuring that refugees are employed as intended. Indeed, there might be differences between contractual provisions and 'reality'. In some cases, spot-checks undertaken by the RECO have confirmed this fear. It is also to be noted that the monitoring role regarding refugee labour was primarily entrusted to PCU and line agencies which are also responsible for the overall project implementation. However, it is recognized that the Bank's resident mission could have played a greater role in this matter, as well as in the supervision of the whole project.

24. Page 89, paragraph 6. 23: The observation of "animals" by the study team in the catchment area of the delayed-action dam at Timrak and in the Karshasa watershed is a relevant indicator only if compared with a "reference" situation. What was the situation "before" the project? Without a reference, it seems difficult to deduce an "increase in wildlife in the sub-project areas" on this sole observation made by the team.

25. Annex A of Page 11, paragraph 54, last sentence: The levels of remuneration to refugees were monitored both by RECO and supervision missions.

26. ANNEX A of Page 11, paragraph 55, last sentence: As a pilot project, the IGPRA is not supposed to last longer but rather to attract more investment of a development nature in the target areas. Therefore, it is hoped that development agencies such as the World Bank, IFAD and other bilateral organizations will take the 'relay'.

5. The Jirga is a larger scale representation compared to the Village Development Committee. A Jirga would have representation from many Village Development Committees.

6. There are references to both EC and EU in the Evaluation Report. They should be replaced by "the European Community".

7. Participants were impressed by the success of the project which resulted from special circumstances at the time, good design and good administration, by The World Bank, UNHCR (looking over The World Bank's shoulder on the labour aspects during phases 1 & 2) and the Authorities of Pakistan - specifically the provincial line departments. The Evaluation Report was also considered of good quality.

8. Contradictions were noted in the Evaluation Report: Such as, the Evaluation Report congratulating The World Bank, referring to the monitoring as having contributed significantly to the successful implementation of the project; while stating that the approval procedures (involving heavily The World Bank's HQs in Washington) contributed to delays. In that context, why was The World Bank Resident Mission in Pakistan not directly managing the Project? The decision-making process would have caused less delays, if supervision was carried out by the Resident Mission in Pakistan.

9. The Evaluation Report is also contradictory in relation to the function of UNHCR. The report suggests that UNHCR monitoring was too heavy in Phases 1 and 2, and then states that there is not adequate monitoring in Phase 3. Participants, including representatives from Donors, insisted that the labour monitoring was useful, particularly for the donors that were interested to see that refugees were effectively employed under the project. The absence of labour monitoring in Phase 3 should be regretted rather than criticized.

10. The conditions for replication mentioned at the end of Chapter 7 do not include the importance of community participation, even though the point was made in the Evaluation Report on the lack of community participation in IGPRA.

11. The IGPRA focused on rehabilitation of natural resources. However, large numbers of refugees are still in Pakistan and continue to adversely impact the natural resources (e.g. grazing on grasslands in Balochistan). It is therefore difficult to say that the rehabilitation has been 'completely' successful.

12. Possibly, an explanatory footnote is needed for the statement "Refugee labour did not displace local labour" (Page 63, para. 4.35).

3. Structure

The workshop will be held on 6 and 7 May 1996. Presentations by UNHCR, the World Bank, SAFRON and the evaluation mission team are planned for the first day. Furthermore, in order to stimulate discussions among participants, small group sessions, based on the findings of the evaluation study, will be held on the second day. The group discussions will focus on how to:

- improve the IGPRA model in terms of planning/design, implementation/management and funding;
- ensure its sustainability within the local contexts and
- replicate such a model in other refugee and returnee areas.

The provisional agenda is attached as Annex A.

4. Place and date

- Place: The World Bank
  20-A Shahran-E-Jamhuriat, Sector G5/1, Islamabad, Pakistan

- Date: 6 and 7 May 1996

5. Participants

The participants will be drawn from the Government of Pakistan, the World Bank, UNHCR, relevant UN Development Agencies, Donors which provided funds to this project or are interested in such a project, NGOs, Universities and Research Institutions.

It is expected that the number of participants will be approximately 60. A tentative list of participants is attached as Annex B.

6. Secretariat

Overall Coordination

L. Mebtouche, Senior Economist/Planner, UNHCR, Geneva
S. Asaba, Senior Desk Officer, UNHCR, Geneva

Coordination Team

W. Barron, Durable Solutions Officer, UNHCR Islamabad
G. Motha, SA3AG, Task Manager, The World Bank, Washington
G. Wangerin, Assistant Representative (Programme), UNHCR Islamabad
E. Wyss, Senior Programme Assistant, Desk I, SWANAME, UNHCR Geneva

Public Information

H. Hudson, Regional PI Officer, UNHCR Islamabad

Secretarial Support

Secretarial support will be provided by UNHCR Branch Office.

Name	*Title*	*Organization*
UNHCR Branch Office in Pakistan		
Mr. Jacques Mouchet	Representative	
Mr. Gregory Wangerin	Assistant Representative (Programme)	
Mr. S. Mohideen Bawa	Assistant Representative (Administration)	
Mr. Hugh Hudson	Regional Public Information Officer	
Mr. William Barron	Durable Solutions Officer	
Mr. Naseem Durrani	Field Officer	
UNHCR Office of Chief of Mission, Afghanistan		
Mr. Daniel Bellamy	Chief of Mission	
Mr. Anoush Daneshvar	Deputy Chief of Mission	
UNHCR Headquarters, Geneva		
Mr. Larbi Mebtouche	Senior Economist/Planner	PTTSS/DPOS
Mr. Hideyuki Mori	Senior Coordinator (Environment)	PPU/DPOS
Mr. Shun-Ichiro Asaba	Senior Desk Officer	Desk 1, SWANAME
Ms. M. Feixas-Vihe	Senior Desk Officer	Regional Bureau for Africa
Ms. Elizabeth Wyss	Senior Programme Assistant	Desk 1, SWANAME
Participants invited by UNHCR HQ		
Mr. Mahrie	Project Officer for Pakistan	KfW (Kreditantalt fuer Wiederaufbau/Credit Institute for Reconstruction) GFR
Mr. Gracia	Assistant Controller	International Fund for Agricultural Development (IFAD) Italy

7. Involvement of local UNHCR offices: Project preparation did not involve enough UNHCR Field Offices in the process. Field offices should have also been involved in the monitoring during Phase III of IGPRA.

8. A better use of qualified local technical consultants, instead of international expertise, as they are knowledgeable on the local context and are less expensive, this could have increased the project's efficiency and cost-effectiveness during preparation and monitoring stages. Intensive/thorough supervision, missions have taken place throughout the three phases. Alternative more effective and less costly supervision through, inter alia more use of local expertise and involvement of the WB Resident Mission in the monitoring process.

9. Funding/ Financing: The release of funds was overall judged slow at all levels i.e. from the Bank to the Project Coordination Unit (PCU) and from the latter to the provincial line departments. Project funds should have flowed directly from the Trust Fund to the provincial implementing departments. Some donors imposed complex procedures regarding the release of their contributions. Project savings should have been utilized for maintenance purpose and a clause to this effect should have been included in the agreements. The World Bank will be invited to contribute funds for future projects.

10. Project identification and preparation: Adequate time was not allocated for project preparation. Individual detailed sub-project cost estimates and proposals were unnecessary. Consolidated cost-estimates and proposals by provincial implementing departments would have been preferable. Political interference was evident in selection of some such projects and should have been kept to a minimum.

11. Time-frame of the project was, overall, adequate. the minimum time-frame required for implementation of such projects should be three to five years. Some sub-projects were selected and were not completed within the original time frame and as a result, extensions were required.

12. Implementation staff of the Project: The frequent transfer of project officials in particular within the Project Coordination Unit hampered the project's success. Incentives such as project allowances and honorarium could have been envisaged and utilized, in cases where government staff were forced to take on additional IGPRA implementation tasks.

13. Periodic reviews: Lessons learned from the (pilot) Phase I were not sufficiently exploited and used to guide the subsequent project phases, particularly in re-orienting the approach towards more community participation (e.g forestry), and in introducing training and gender concerns. Mid-Term Review Workshops should have taken place during Phase I, II and III.

14. Decentralization: The project management and administration functions of the World Bank should have been decentralized to the Field. This would have increased project effectiveness and improved monitoring and fund disbursement. Greater involvement of the World Bank Resident Mission would have been an asset in this regard.

15. Awareness Raising: More efforts could have been made to increase the beneficiaries' awareness project objectives, the origin of funds and the role of each party involved (Government of Pakistan, UNHCR, the World Bank, donors).

16. Role of the Main Actors of the Project: The synergy between the host country, donors, UNHCR, the World Bank and beneficiaries established suitable conditions for a successful IGPRA implementation. The political stability of the host country enabled maintenance of an open door policy toward refugees throughout the project's life. Donors sustained their efforts in providing sufficient funds up to the end of the project. The cultural affinity between refugees and local population also played a critical role in keeping harmonious relations between the two communities. It also meant that the labour requirements defined under the project could fit the skills of the refugees and Pakistani locals.

17. Consistency with UNHCR Objectives: IGPRA was framed within the context of a UNHCR country programme strategy, aimed at providing short-term labour opportunities through IGPRA to refugees pending their repatriation. This objective was fully met by IGPRA. Repatriation wherever feasible has been always considered as the preferred durable solution for refugees.

18. Role of the UNHCR and World Bank: The combination of the Development Agency, UNHCR (a Humanitarian Organization) and the Government of Pakistan (a generous host country) the World Bank played an important role as an umbrella organization in IGPRA's success, reconciling the "economic" with the "social" and providing elements of respectability and legitimacy which helped to secure donors' funds. However, the World Bank funding to IGPRA was lacking.

B. Replication of the IGPRA Model

1. Replication of the IGPRA Model in Refugee Situations: The IGPRA model has a great potential for replication in similar refugee situations. Such replication, however, would require appropriate adaptations based upon in-depth analysis of the local context of the proposed target country of asylum.

2. Replication of IGPRA Model in Returnee Situations:

   a) Various possibilities exist to replicate the IGPRA model in 'returnee' situations, i.e. in countries of origin where conditions for repatriation and reintegration are daily. The conditions in countries of origin vary widely from normal, to difficult, when required minimal office government and administration structures are lacking. Returnees play very important roles in rehabilitation activities. Clear strategies will be necessary to ensure success. Subject to appropriate adaptations, replication of the IGPRA model in 'returnee' situations carries a great potential and should be easier, in particular with regard to funding (??), returnees become de facto 'nationals'.

b) In returnee areas without official government structures, replication is also possible with a great deal of flexibility and innovation. In such cases, alternatives to the lending institutions such as the World Bank or IFAD should be sought. UN agencies such as UNDP, UNOPS and ILO could also be resorted to. Also, international non-governmental organizations that specialize in development (income generation/credit, environmental and infrastructure rehabilitation) could also manage a project similar to IGPRA but of a much more modest size.

3. Replication of the IGPRA Model in Afghanistan: Factors which deter the replication of IGPRA in Afghanistan through the World Bank include the volatility of the security situation, political instability, the extensive infrastructure damage, the lack of recognized central government and effective government implementing line departments at the regional level, the presence of mines and access difficulties for returnees to markets and services.

III. SUMMARY OF THE EVALUATION REPORT

1. Executive Summary

Introduction

1. By 1980, over three million Afghan refugees seeking to escape the war in their homeland had entered Pakistan. A massive relief effort was required to meet the most urgent humanitarian needs. Once that situation was stabilized, the United Nations High Commission for Refugees (UNHCR) turned its attention to addressing the refugees' need for supplemental income, and repair of the damage caused to infrastructure and natural resources by heavy concentrations of refugees in some areas. A strategy to promote income-generating activities for refugees was conceived, and UNHCR approached the World Bank for assistance in preparing and implementing a project.

2. Following the successful completion of the first Income Generating Project for Refugee Areas (IGPRA-I), two further projects werc undertaken. The three projects were financed entirely from donor grants totaling US$85.5 million, mostly through a trust fund administered by the Bank. The donors were the governments of Canada, Germany, Finland, The Netherlands, Norway, Sweden, Switzerland, The United Kingdom, and the United States, as well as the European Community. The World Bank did not provide any funds and was reimbursed for its administrative costs from the trust fund. In keeping with understandings between UNHCR and the Bank, an evaluation of the three projects has been carried out by the Operations Evaluation Department (OED) of the Bank.

IGPRA Objectives and Design

3. The main objectives of IGPRA at project inception were:

- to create employment and income, principally for Afghan refugees but also for the local poor, through labor-intensive public works, forestry and conservation subprojects;
- to rehabilitate some of the physical damage caused by the refugees and their livestock to Pakistan's infrastructure and natural environment; and
- to create durable assets for the host country.

4. To meet these objectives, each phase of IGPRA financed discrete subprojects, which, according to the selection criteria used, had to be:

- labor intensive (that is, labor costs accounted for at least 60 percent of investment costs);
- able to attract at least half the workers needed for subprojects from refugee populations;
- located near refugee camps;
- technically sound, with satisfactory estimated economic rates of return (ERR) of at least 10 percent;
- approved by the relevant provincial Planning and Development Department;

- short term, so they could be completed in the project period; and
- environmentally sound (this was introduced for IGPRA-III).

5. The subprojects were located close to the Afghan refugee camps, particularly around Peshawar and Quetta, and in the scattered rural areas of the North West Frontier (NWFP) and Balochistan provinces where refugees had settled (see map Nos. IBRD 27701, 27709 and 27710). Some limited activity took place around camps in the Mianwali District of Punjab Province in the second and third projects.

6. IGPRA subprojects involved reforestation, catchment management, the repair and improvement of irrigation and drainage systems, flood protection and river training, and road improvement. Because IGPRA-III foresaw the end of the war in Afghanistan and the possibility of repatriation, the program's scale was reduced, a training component was added to prepare the refugees for their return to Afghanistan, and provisions were made to assist in the local management and maintenance of earlier IGPRA forestry investments.

Implementation and Results

7. Although the Bank did not fund any of the IGPRA projects, it required that they be managed according to Bank guidelines. Thus, appraisals were conducted prior to each of the three IGPRA phases, with bridging funds being provided by some of the donors to cover the periods between projects. Implementation was carried out by existing provincial line departments, a project coordination unit (PCU) in the federal government's States and Frontier Regions Division (SAFRON), with the assistance of short-term, internationally recruited technical experts. UNHCR provided technical assistance staff under IGPRA I and II to monitor the use of labor in the subprojects, for which it was reimbursed from the trust fund. Bank staff or consultants assessed all subprojects proposed for funding at appraisal of the three IGPRA projects or during their implementation. Implementation procedures were deliberately designed to resemble those the provincial governments use in similar public works and rural development programs, and the subprojects were small additions to existing provincial programs. As a result, implementation went largely as planned for the three projects, except for delays caused by the time needed for approval of contract changes by the Bank and occasional problems on some subprojects caused by delayed payments to contractors. A few subprojects encountered social, logistical, and contracting problems that were not easily resolved. Overall, however, the IGPRA implementation record was impressive for a dispersed program with so many small subprojects.

8. IGPRA has met its employment creation objectives and refugee employment exceeded planned levels. In IGPRA-III, refugees accounted for two-thirds of total employment, well above the 50 percent target. Over the 12-year period, IGPRA projects generated 24 million workdays of labor, of which three-quarters were provided by Afghan refugees. IGPRA provided 11 percent of the estimated employment needs of the refugee population. In addition, IGPRA employment has improved the skills of Afghan workers such that they have been able to obtain work elsewhere in the economy, including on other government development projects. Consequently, IGPRA's employment impact has been greater than suggested by the data on labor days financed by the three projects.

9. In addition to much-needed employment, IGPRA provided refugees with skills that will be useful in Afghanistan. IGPRA-II and III provided formal training in forestry management

and, for Afghan women, instruction in tree seedling production and home energy conservation. An unintended outcome is that IGPRA project work has enabled some refugees to assimilate into the Pakistan economy as skilled laborers, small-scale contractors and entrepreneurs. To the extent that IGPRA employment helped refugees participate in the Pakistan economy, it may have reduced the incentive to repatriate, especially for those without assets in Afghanistan. This may involve a relatively small number of refugees, compared with large numbers repatriated in 1992/93, but the point is of concern to the government.

10. IGPRA also exceeded its objectives in creating durable assets for the benefit of local populations and the host country. These assets are mainly rural roads; irrigation, drainage and flood control works; and forestry and conservation investments. In the 12 years since IGPRA-I started, some 295 subprojects have been undertaken. Some 24 IGPRA-III subprojects remain to be completed by December 1996, and another 24 subprojects were dropped after selection for various reasons. Field inspection of a large sample of these subprojects indicates that most of the investments have been sound and that in only a few cases will technical and social problems limit project sustainability. In comparison with similar rural programs in other countries, the subprojects were cost-effective in terms of both their unit costs and their employment objectives. Investments were split almost evenly among the three categories of forestry and conservation, irrigation and flood control, and roads. Almost two-thirds of project expenditures were in NWFP, one-third were in Balochistan and about 5 percent in Punjab Province.

11. Although one IGPRA objective was repairing some of the damage the refugees and their livestock had caused to the environment and infrastructure, this was not a high-priority criterion in selecting subprojects. Nevertheless, IGPRA made a small but significant contribution to reversing some of the damage, especially in subprojects close to large refugee populations, but much remains to be done. Good examples of rehabilitation are the mazri plantation subprojects, the irrigation and roadway subprojects in the suburbs of Peshawar, and the initiatives involving rural roads near refugee villages and major roads (for example, the Quetta-Chaman road) that serve as supply routes for refugees. In other cases damage repair was impractical so long as refugees and their livestock remained in an area in significant numbers.

Impacts and Sustainability

12. The benefits of IGPRA subprojects for refugees, local economies, and Pakistani communities have been substantial. New and improved rural roads have increased access to isolated areas and thereby improved their market opportunities. Irrigation projects have increased agricultural production and flood protection works have reduced losses of productive land and village buildings. New areas of forest have been planted and conservation works are protecting catchments. Some local landowners have benefited from IGPRA training in forestry management.

13. The impact of IGPRA employment on refugee families was significant, but only while it lasted. The projects resulted in a total net transfer of Rs 638 million to the refugees in the form of wages. While the cash income from employment was a welcome supplement to relief rations, few refugees were able to work on IGPRA subprojects for more than a few months, as much of the work was seasonal and lasted only two to four months. Some targeting of families that most needed employment could have improved the project's social and equity impact. The large pool of refugee labor is also believed to have depressed local wage levels, although IGPRA may have

softened this effect somewhat by providing seasonal or temporary job opportunities that would not otherwise have existed.

14. Women were not directly employed on IGPRA subprojects, but they particularly appreciated the local employment opportunities available on the subprojects because the men were able to return home each night. However, where land near the refugee camps was closed for forestry and conservation subprojects, the burden on women of fetching fuel and fodder was increased.

15. The impact of IGPRA on equity has not been favorable. Equity should have been a criterion in the subproject selection and design process. The location of some afforestation subprojects on so-called communal land that is actually private has led to the growing exclusion of traditional users, many of whom are the poorer villagers. Similarly, some of the flood protection and river training projects benefited only a small number of influential landowners.

16. Most IGPRA-built infrastructure is likely to be sustainable, but there are exceptions. Sustainability problems were evident in 15 of the 60 infrastructure projects inspected in the field, in particular where assets (primarily some heavily used roads) were not being adequately maintained. This neglect can be attributed in large part to the lack of a sense of local ownership of the projects, since community involvement in project planning and design was not actively sought. On a practical level, the substandard galvanized wire used for gabion construction on some flood protection subprojects will likely lead to the premature collapse of these works. IGPRA intervention on *karezes* (underground irrigation channels) in Balochistan may have undermined sustainability by introducing a public sector subsidy into what was a cost-effective private sector activity.

17. Judging the sustainability of forestry and conservation subprojects is difficult, since climate, land tenure, and social factors are involved. It is clear, however, that the impact and sustainability of these subprojects would have been greater had they been grouped or clustered, preferably to address a holistic natural resources management scheme with the full participation of the local population. A number of the forestry subprojects on state lands in Balochistan are not sustainable, would in any case have poor ERRs, and should not have been pursued, given the technical problems.

18. Favorable environmental impacts include the restoration of ground and tree cover, and the reduction of soil erosion, surface run-off and flood hazards. No serious environmental problems were observed at infrastructure subproject sites. The additional forestry resources developed will reduce the pressure on the remaining natural forest resources.

Findings and Lessons Learned

19. *IGPRA has achieved impressive results and benefits.* By implementing 295 labor-intensive subprojects over 12 years, IGPRA has exceeded expectations in generating employment for refugees, provided Pakistan with substantial infrastructure and natural resource investments that are durable if adequately maintained, repaired some of the most egregious damage caused by concentrations of refugees (in some cases, IGPRA has provided substantial compensation), enhanced the skills of the participating refugees and local landowners, and contributed to improving relations between refugee and host populations.

UNHCR

PROGRAMME & TECHNICAL SUPPORT SECTION

PAKISTAN

EVALUATION OF THE INCOME GENERATION PROJECT FOR REFUGEE AREAS (IGPRA)

Workshop on IGPRA

Islamabad, 6-7 May 1996



Larbi Mebtouche
Senior Economist/Planner

PTSS Mission Report 96/28

PAKISTAN

INCOME GENERATING PROJECT FOR REFUGEE AREAS (IGPRA)

ABSTRACT

Over the last 12 years, UNHCR has been assisting the Government of Pakistan with three Income Generating Projects for Refugee Areas (IGPRA) with grant funds provided by donors amounting to the total sum of US$86.5 million. An overall evaluation exercise has been carried out by the Operations Evaluation Department of the World Bank. In order to share the findings of the evaluation study among all the parties concerned, a two-day workshop took place in Islamabad from 6 to 7 May 1996. The workshop discussed modalities for improvement of the IGPRA model as well as for its replication in other similar refugee situations including "returnee" areas.

This report presents the main conclusions and recommendations as they emerged from the discussions during the workshop. A summary of the evaluation report is also attached.

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TABLE OF CONTENTS

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